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EXCISE

FROM American Embassy, Taipei.

TO THE DEPARTMENT OF STATE, WASHINGTON, June 28, 1953.

REF Taipei's Despatch No. 589, June 30, 1952, Comments by General
SUN Li-jen Regarding Political and Military Conditions on Formosa.

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SUBJECT: Political Conditions on Formosa.

Mr. L. K. LITTLE, former Inspector-General of the Chinese Maritime Customs and now Adviser to the Chinese Ministry of Finance, called at the Embassy on June 16, 1953, and summarized his impressions of political conditions on Formosa. Since arriving in Taipei on April 22, 1953, he has talked freely and lengthily with a number of leaders in Free China, many of whom he has known well for long years. Former Governor K. C. WU, General SUN Li-jen, Foreign Minister George YEH and Finance Minister K. C. YEN seem to be the persons with whom Mr. Little has had the most discussion and on whose statements he has placed greatest reliance. While Mr. Little's experience, intelligence, integrity and associations entitle his observations to highest respect, it is possible to feel that -- metaphorically speaking with regard to local politics -- his ear is sometimes more attuned to cacophonies than harmonies.

In a 50-minute interview with Premier CH'EN Ch'eng, Mr. Little was asked by the former what things were wrong on Formosa and what could be done to correct them. Mr. Little replied that Free China was getting a less favorable press in the United States than a year ago and this was due primarily to the activities of the security police. He explained that security police, in the minds of Americans, evoked concepts of the Gestapo and NKVD, and were a sinister agency. Bristling at this statement, the Premier went into a long explanation of why security police are necessary on Formosa, saying that the island was in effect at war, that in the past three years 600 persons in the armed forces had been arrested for subversion, that radio transmitter sets had been picked up, etcetera.

Mr. Little had several long talks with General Sun Li-jen.

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General Sun Li-jen also said that he was without power, although the training program he was in charge of was important and successful, that he was watched constantly, and that rooms in Chinese Government buildings were wired with dictaphones. (Mr. Little observed that General Sun is so bitter that his statements must be discounted.)

The day he arrived in Taipei, April 22, 1953, Mr. Little was asked by former Governor Wu to call that afternoon, if possible, at the latter's home. Contrary to Wu's customary free, easy manner of speaking and acting, Wu that day drew Little to a far corner of the room near the window where he could watch the outside, pulled the chairs close together, and talked in a low tone. Wu said that "they" had made an attempt on his life and that of Madame WU and recounted the story of the loosened nuts on the steering wheel of the car used on the Wu's trip to Sun-Moon Lake. Governor Wu was convinced that "they" sought his life. He stated that his position in the Government had become impossible because of "cross-fire" between General Chiang Ching-kuo and his cohorts and Prime Minister Ch'en Ch'eng and his forces in their struggle for power. Moreover, Wu declared, he was tired of being "used".

Wu recounted his difficulties in getting a passport to leave Formosa. Negotiations for a passport were carried on by Madame Wu with Madame Chiang Kai-shek. Madame Chiang finally informed Madame Wu that President Chiang was willing for Wu to have a passport. Foreign Minister Yeh was so informed but he refused to issue a passport without written authorization from the President; he declared that Premier Ch'en Ch'eng and Dr. WANG Shih-chieh had told him that the President did not want a passport issued to Wu. Wu then went to Ch'en Ch'eng and confronted him with Dr. Yeh's statement. Ch'en Ch'eng denied it. Wu then went back to Dr. Yeh with word of the Premier's denial. Dr. Yeh then ~~declined to issue the passport~~ had the passport issued.

Mr. Little, at the present time, considers that the probabilities are against Wu's returning to a high governmental post in Formosa as, in addition to Wu's concern over his personal safety, "he and President Chiang are not on speaking terms". On the other hand, there have been some comparatively rapid changes in the past in the President's relations with important members of his government. In the case of Dr. T. V. SOONG, for example, the President "went berserk", kicked over the teatable, roundly denounced Dr. Soong and relieved him of his functions as Foreign Minister, et cetera. About a year later, however, Dr. Soong was made Prime Minister. It is possible that some such reversal might take place with regard to Wu.

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Mr. Little regards Wu's departure as a great loss to the democratic elements of Free China and as the loss of an outstanding champion for the Formosans. When Governor Wu sought to preserve and extend their civil and political liberties and to protect them from unduly onerous taxation. His tour of the entire island and the Pescadores was one of many evidences of his interest in the welfare of the island's native population. A Chinese official told Mr. Little that there were rumors that one of the reasons for the Formosans' alleged withholding of rice from the market was their resentment at Wu's no longer being Governor. General Sun Li-jen stated that General Chiang Ching-kuo had increased his power through the provincial reorganization as most of the new appointees are loyal to him.

Mr. Little said he knew Governor O. K. YUI intimately as he had worked closely with him in Chungking during the war years when Mr. Yui was Minister of Finance and his "boss". Mr. Yui, he averred, is a man of "utmost integrity". In his position during those years he could have made a fortune, but he never made a nickel dishonestly and he has no money now, Mr. Little declared. Both Mr. and Mrs. Yui are practicing Christians, i.e., genuine Christians. Yui is "completely a creature of the Gimo" and will faithfully follow his instructions.

In none of his conversations with prominent Chinese here did Mr. Little hear one word of criticism of the EISENHOWER Administration's foreign policy with respect to Free China, although he heard some regarding the truce negotiations in Korea. Among the more informed and westernized Chinese officials (such as Foreign Minister Yeh and Finance Minister Yen) he felt there was realization that there would be no return to the mainland in the near future, i.e., within a few years, and that if there ever was a return, it would be only in connection with another global war. He said his opinion was gained, not from asking point-blank questions along this line, but from the nature of remarks made by the officials with whom he talked. In discussing plans for the future, they frequently posited them upon the hypothesis of "if we return to the mainland".

COMMENT: Mr. Little's opinion that Governor O. K. Yui will be quite amenable to President Chiang's directions accords with evidence received from other reliable sources. Anticipated smoother working relations between the central and provincial governments seem also to imply lessened solicitude for the aspirations and burdens of the Formosans.

Copies of this despatch have been pouched to Hong Kong and Tokyo.

Howard P. Jones
Charge d'Affaires a.i.

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